

Exhibit D-3 Ten Year Budget Plan – Operating Phase

The spreadsheet shows the estimated ORCA regional budget for the Operating Phase over the next ten year period (CY 2009-2018).

ORCA PROGRAM OPERATING BUDGET* - CY 2009 to 2018

1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT

1.1 Regional Program Coordination

Wages and Benefits

Regional Program Coordinator #

Program Administrator #

RAM #

Fare Integration Program Manager #

IT Sr. Business Service Analyst #

Report Writer #

Subtotal

Services:

Legal Services

Regional Marketing Services

Non-English Accessible Formats

PCI and Agency System Security Audits

Supplies and Misc. Expenses

Subtotal - Regional program administration costs

1.2 Fiscal Agent and Banking Services

Wages and Benefits

Fiscal Agent (1FTE)

Sr. Financial Analyst 1

Cash Accountant (0.25 FTE)

IT Revenue Service Analyst #

Subtotal

Services:

Annual Audit

Consulting/Go Live Support

A/P and A/R Support

Supplies and Misc. Expenses

Subtotal - Fiscal Agent Costs

Banking Fees

Interest Earnings (Revenue) 2

Subtotal - Net Banking Fees

1.3 Call Routing

Wages and Benefits - Call Center Specialist

West Connectivity

Maintenance

Supplies and Misc. Expenses

Subtotal - Call routing

Total Costs- ST managed regional services

Total Revenues - ST managed regional services

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Subtotal - Regional program administration costs	500,000	500,000	515,000	530,750	547,288	564,652	582,884	602,029	622,130	643,237
Legal Services	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Regional Marketing Services	200,000	200,000	210,000	220,500	231,525	243,101	255,256	268,019	281,420	295,491
Non-English Accessible Formats	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
PCI and Agency System Security Audits	300,000	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746
Supplies and Misc. Expenses	-	-	-	-	-	-	-	-	-	-
Subtotal - Fiscal Agent Costs	294,014	304,515	319,740	335,727	352,514	370,140	388,646	408,079	428,483	449,907
Annual Audit	159,605	268,385	281,805	295,895	310,689	326,224	342,535	359,662	377,645	396,527
Consulting/Go Live Support	25,000	26,250	27,563	28,941	30,388	31,907	33,502	35,178	36,936	38,783
A/P and A/R Support	100,000	-	-	-	-	-	-	-	-	-
Supplies and Misc. Expenses	5,000	5,250	5,513	5,788	6,078	6,381	6,700	7,036	7,387	7,757
Subtotal - Net Banking Fees	4,409	4,629	4,861	5,104	5,359	5,627	5,908	6,204	6,514	6,840
Banking Fees	32,785	34,424	36,145	37,952	39,850	41,842	43,934	46,131	48,438	50,860
Interest Earnings (Revenue) 2	(138,837)	(200,821)	(842,298)	(864,701)	(882,763)	(903,970)	(924,302)	(944,732)	(965,308)	(986,074)
Subtotal - Call routing	(106,053)	(166,397)	(806,153)	(826,749)	(842,914)	(862,128)	(880,367)	(898,601)	(916,870)	(935,214)
Wages and Benefits - Call Center Specialist	7,194	7,194	7,554	7,931	8,328	8,744	9,182	9,641	10,123	10,629
West Connectivity	-	3,924	4,120	4,326	4,543	4,770	5,008	5,259	5,521	5,798
Maintenance	-	-	-	-	-	-	-	-	-	-
Supplies and Misc. Expenses	-	-	-	-	-	-	-	-	-	-
Subtotal - Call routing	7,194	11,118	11,674	12,258	12,870	13,514	14,190	14,899	15,644	16,426
Total Costs- ST managed regional services	833,993	850,057	882,559	916,687	952,522	990,148	1,029,655	1,071,138	1,114,695	1,160,430
Total Revenues - ST managed regional services	138,837	200,821	842,298	864,701	882,763	903,970	924,302	944,732	965,308	986,074

ORCA PROGRAM OPERATING BUDGET* - CY 2009 to 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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2 REGIONAL SERVICES PROVIDED BY KING COUNTY METRO

2.1 ORCA Operations

Wages and Benefits 3	162,931	335,649	352,432	370,053	388,556	407,984	428,383	449,802	472,292	495,907
Configuration Data Administrator #	-	-	-	-	-	-	-	-	-	-
Emergency Response	-	-	-	-	-	-	-	-	-	-
Technical Consulting	-	50,000	52,500	55,125	57,881	60,775	63,814	67,005	70,355	73,873
Supplies	-	-	-	-	-	-	-	-	-	-
Subtotal - ORCA operations	162,931	385,649	404,932	425,178	446,437	468,759	492,197	516,807	542,647	569,779

2.2 Mail Center

Wages and Benefits 4										
Customer Assistance Representative										
Sr. Customer Assistance Representative										
Administrative Assistant										
Subtotal	452,115	99,003	103,953	109,151	114,608	120,338	126,355	132,673	139,307	146,272
Supplies 5	113,000	22,128	14,676	12,757	119,111	32,768	26,107	24,574	120,515	43,058
Postage 5	81,000	15,862	10,520	9,144	85,380	23,489	18,714	17,615	86,387	30,864
Card Fees (Revenue) 6	-	(432,456)	(286,815)	(249,307)	(2,327,786)	(640,394)	(510,216)	(480,249)	(2,355,226)	(841,479)
Banking Card Fees 7	285,000	347,532	392,283	432,475	473,048	517,641	564,577	614,586	667,963	725,031
Subtotal - Mail Center	931,115	52,068	234,617	314,220	(1,535,639)	53,842	225,536	309,199	(1,341,055)	103,746

2.3 Regional Distribution and Inventory Center (RDIC)

Wages and Benefits 8										
Revenue Processor										
Marketing and Sales Specialist										
Subtotal	13,228	7,151	7,509	7,884	8,278	8,692	9,127	9,583	10,062	10,565
Orca Card Costs										
Operating share of the initial card order	709,082	-	-	-	-	-	-	-	-	-
Ongoing card order 9	163,090	334,582	221,902	192,863	1,800,952	495,458	394,741	371,557	1,822,182	651,032
Subtotal - RDIC	885,399	341,733	229,410	200,767	1,809,230	504,150	403,868	381,140	1,832,244	661,597
Total Costs - KCM provided regional services	1,979,445	1,211,908	1,155,773	1,189,472	3,047,814	1,667,145	1,631,819	1,667,395	3,389,063	2,176,601
Total Revenues - KCM provided regional services	-	432,458	286,815	249,307	2,327,786	640,394	510,216	480,249	2,355,226	841,479

ORCA PROGRAM OPERATING BUDGET* - CY 2009 to 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3	ERG COSTS									
3.1	Maintenance 10									
	Depot Maintenance 11	14,571	58,282	58,282	58,282	58,282	58,282	58,282	58,282	58,282
	On-Call Maintenance	15,176	60,703	60,703	60,703	60,703	60,703	60,703	60,703	60,703
	Technical Support	24,148	96,592	96,592	96,592	96,592	96,592	96,592	96,592	96,592
	Software Maintenance	95,235	380,940	380,940	380,940	380,940	380,940	380,940	380,940	380,940
	Subtotal - Maintenance	149,129	596,517	596,517	596,517	596,517	596,517	596,517	596,517	596,517
3.2	Services 12									
	Customer Service 13 &	97,195	239,100	245,076	257,330	270,196	283,706	297,891	312,786	328,425
	Institutional Programs &	68,890	169,464	173,700	182,385	191,504	201,079	211,133	221,690	232,775
	Card Procurement and Distribution 14 &	55,916	137,828	141,272	148,312	155,703	163,463	171,612	180,168	188,152
	Fare Card Management &	31,625	77,796	79,740	83,727	87,913	92,309	96,924	101,771	106,859
	Clearinghouse Services 15	403,895	1,158,308	1,200,841	1,264,330	1,291,631	1,319,212	1,381,578	1,426,248	1,471,306
	Financial Management &	57,780	142,128	145,692	152,977	160,625	168,657	177,090	185,944	195,241
	Network Management	67,835	167,124	171,300	179,865	186,858	198,301	208,216	218,627	229,558
	Revalue Network Support 16 &	53,068	131,007	134,288	140,942	147,929	155,265	162,968	171,056	179,548
	Subtotal - Services	836,303	2,222,755	2,291,910	2,409,868	2,494,561	2,581,994	2,707,414	2,818,291	2,932,865
3.3	Performance Security Obligation - LC 17									
		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Total ERG Costs	836,303	2,371,884	2,888,428	3,006,385	3,091,078	3,178,511	3,303,931	3,414,808	3,529,382
										3,668,602
4	REGIONAL SERVICES MANAGED BY AGENCIES									
4.1	Retailer Lead Agencies 18									
	TRU Dedicated Phone Line	76,680	102,240	102,240	107,352	112,720	118,356	124,273	130,487	137,011
	Phone Line Set Up	14,200								
	TRU Thermal Tape	14,365	23,626	26,615	29,072	31,317	33,554	35,695	37,782	39,828
	Commissions - 2% of sales	372,751	422,078	459,601	492,214	524,298	560,456	598,782	639,733	683,487
	Subtotal - Retailer Lead Agencies	477,996	547,944	588,456	628,638	668,335	712,366	758,751	808,001	860,327
4.2	Business Account Lead Agencies									
		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Total Regional Services Managed By Agencies	477,996	547,944	588,456	628,638	668,335	712,366	758,751	808,001	860,327
										915,949
	TOTAL ORCA OPERATING COSTS	4,127,736	4,981,792	5,515,216	5,741,182	5,759,749	6,548,170	6,724,156	6,981,343	8,893,467
										7,921,562
	TOTAL ORCA NON-FARE OPERATING REVENUES	138,837	633,279	1,129,113	1,114,068	3,210,549	1,544,365	1,434,517	1,424,982	3,320,534
										1,827,553

ORCA PROGRAM OPERATING BUDGET* - CY 2009 to 2018

Footnotes:

* Unless specified otherwise, all costs beyond 2010 are inflated by 5% per year.

These FTEs are currently provided by ST and KCM to perform ORCA related functions at no charge to participating agencies.

& Currently being renegotiated with ERG

1 ST proposes to engage a full time Sr. Financial Analyst starting in 2010 to perform ORCA financial reporting and analysis functions, these duties will be performed by the RAM in 2009.

2 Interest rate is assumed to be .5% for 2009 and 2010, 2% for 2011-2018. Banking fees and interest earnings will be reconciled and presented separately from Fiscal Agent fees.

3 Assumes 6 months of staffing in 2009.

4 6.75 FTEs are budgeted for 2009, 1.43 FTEs are budgeted for 2010 and beyond

5 Supplies and postages are assumed as a fixed percentage of the total card orders for 2010 and beyond.

6 Card revenue assumptions: 5% replacement cards at no charge, \$3 on 15% of cards, \$5 on 80% of cards.

7 Bank card fees are adjusted with non-3rd party revalue transaction YOY growth assumption, 5% of all cards in circulation will be replaced each year, 90% cards will be replaced every 5th year.

8 0.17 FTE is budgeted for 2009, 0.08 FTE is budgeted for 2010 and beyond

9 Initial card order was placed in May 2008 to meet the need for the first year. An additional 10% of the initial card order is budgeted for 2009. For 2010 and beyond, the budget assumes 5% replacement of the existing cards, additional cards to meet demand of the growing ridership and 90% cards are replaced every 5th year.

10 Maintenance costs are under warranty for 12 months after Full System Acceptance, but no longer than 24 months after commencement of Beneficial Use Status. Not inflation adjusted.

11 Assumes 5% equipment failure rate after warranty period.

12 Fixed fees commence at Beneficial Use Status which is currently assumed to 4 months following Go Live. Variable fees commence at Full System Acceptance which is currently assumed to be 6 months following Go Live. Service costs are inflation adjusted from 2012, the rates for the first three years are defined in the contract.

13 Customer Service assumes ERG only receives calls from Agency staff and uses only the flat monthly fee.

14 2 shipments of cards per year are assumed for the first year. 1 shipment of cards per month is assumed for the next 9 years.

15 Assumes 25% cash user conversation in 2009. For 2010 and beyond, 25% of new riders and 10% of non-converted riders will convert. 2 transactions per trip for Link and Sounder riders, 1 transaction per trip for bus riders. 15% of revalue transactions take place at retail sites.

16 Revalue Network Support assumes 142 Retail Sites (Active TRUs).

17 Bank fees and collateral costs for Letter of Credit to be established after Full System Acceptance.

18 All retail costs will be subject to the regional operating cost-shares for the first 12 months of operation. The assumption will be evaluated around month 11 to potentially identify accounts and account costs that should be the sole financial responsibility of a single agency.